

Da Nang, April 5, 2025

EXPLANATORY LETTER

(Re: Qualified Opinion in the Independent Auditor's Report on the 2024 Financial Statements)

Kính gửi: State Security Commission of Vietnam - SSC
Hanoi Stock Exchange – HNX

VNECO1 Electricity Construction Joint Stock Company ("the Company", stock code: VE1) respectfully extends our greetings to the esteemed Authority and hereby submits our explanation regarding the qualified opinion issued by the auditor in the Independent Auditor's Report for the financial statements for the fiscal year ended December 31, 2024, as follows:

1. Content of the Qualified Opinion:

According to the audit report conducted by International Auditing and Valuation Co., Ltd, the auditor issued a qualified opinion due to the following reason:

"We were appointed as the auditor after December 31, 2024, and thus were unable to witness the year-end cash count. Alternative audit procedures did not provide us with sufficient appropriate audit evidence to determine the existence, completeness, and accuracy of the cash balance as at December 31, 2024, amounting to VND 5,125,231,418."

2. Reason for the Qualified Opinion:

As the Company signed the audit contract with the audit firm after December 31, 2024, the auditor was unable to attend the year-end physical cash count. Although the Company provided all related documents and supported the implementation of alternative audit procedures, the auditor assessed that the audit evidence obtained was still insufficient to conclusively verify the cash balance as at December 31, 2024.

3. Explanation from the Company:

- The Company confirms that the cash count was conducted in accordance with regulations on December 31, 2024.
- The related documents, minutes, and supporting evidence were fully prepared, archived, and provided to the audit firm.
- Due to the late signing of the audit contract, the auditor could not be present during the cash count; this was an objective circumstance and does not reflect any misstatement or fraud in the Company's cash management and accounting.
- The Company commits to conducting future year-end cash counts with the attendance of the auditor on December 31 of each fiscal year to avoid similar issues.

4. Commitment:

The Company affirms that the information presented in the 2024 financial statements is truthful, fair, and in full compliance with prevailing legal regulations, Vietnamese Accounting Standards, and the Vietnamese Corporate Accounting System. We will draw experience from this matter and ensure a more appropriate timeline for selecting the audit firm in subsequent fiscal years.

Respectfully submitted.

Recipients:

IDS, HNX

Company Archive



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